

SALE OF RESERVED MINERAL INTERESTS

JULY 15, 1959.—Ordered to be printed

Mr. JOHNSTON of South Carolina, from the Committee on Agriculture and Forestry, submitted the following

R E P O R T

[To accompany S. 1110]

The Committee on Agriculture and Forestry, to whom was referred the bill (S. 1110) to amend the act of August 4, 1955 (Public Law 237, 84th Cong.), to provide for conveyance of certain interests in the lands covered by such act, having considered the same, report thereon with a recommendation that it do pass with amendments.

This bill provides for the sale at fair market value of certain reserved mineral interests in certain lands in South Carolina. The lands concerned were conveyed by the Government to Clemson College in 1954 under the Bankhead-Jones Farm Tenant Act, subject to a public use requirement and the reservation of certain mineral interests. In 1955 Congress authorized the Secretary of Agriculture to release the public use requirements, and this bill provides for the sale of the mineral interests. At the suggestion of the Department of Agriculture, the committee has recommended amendments to restrict the sale of mineral interests to those lands which are released from the public use requirement. The bill and the amendments are more fully explained in the attached letter from the Department.

DEPARTMENTAL VIEWS

DEPARTMENT OF AGRICULTURE,
Washington, D.C., May 7, 1959.

HON. ALLEN J. ELLENDER,
Chairman, Committee on Agriculture and Forestry,
U.S. Senate.

DEAR SENATOR ELLENDER: This is in reply to your request of February 20, 1959, for a report on S. 1110, a bill to amend the act of August 4, 1955 (Public Law 237, 84th Cong.) to provide for conveyance of certain interests in the lands covered by such act.

We have no objection to enactment of S. 1110 if amended as recommended herein.

This bill would amend the act of August 4, 1955 (69 Stat. 496), which directs the Secretary of Agriculture to release on behalf of the United States conditions in two deeds conveying certain submarginal lands to Clemson Agricultural College so as to permit the college, subject to certain conditions, to sell or exchange such lands. S. 1110 would provide upon application within a 10-year period that all the undivided mineral interests of the United States in the lands conveyed to Clemson Agricultural College shall be conveyed to the college by the Secretary of the Interior upon payment of an amount equal to the fair market value of such interests as determined by appraisal or otherwise. In addition, the bill would provide that the Secretary of the Interior may similarly convey the mineral interests of the United States in any parcel or tract of land among the lands conveyed to Clemson Agricultural College.

The lands which would be affected by the bill consist of about 20,000 acres in the Clemson College land utilization project (SC-LU-3) in Anderson, Oconee, and Pickens Counties, S.C., acquired by the Federal Government in the 1930's and administered pursuant to provisions of title III of the Bankhead-Jones Farm Tenant Act. Title to this project was granted to the college on December 22, 1954. As required by the Bankhead-Jones Farm Tenant Act, the conveyance was made subject to a public use requirement and the reservation to the United States of certain mineral interests. The grant consisted of about 27,470 acres but, subsequently, the Federal Government reacquired by eminent domain action 7,380.5 acres for the Hartwell Dam and Reservoir, a Corps of Engineers project. These federally reacquired lands would not be subject to S. 1110.

The act of August 4, 1955 (69 Stat. 496) directs the Secretary of Agriculture to release the public use requirements and permit the college to sell or exchange portions of the lands covered by agreements entered into by the Secretary and the college.

Upon application of the college, a tract of 36.62 acres was released from the public purpose requirement on December 31, 1958. The college advised in its application that it desired to sell the tract to the Surety Insurance Co. so that the company might erect thereon and lease to Saco-Lowell Shops a building to be used for research in the development of improved textile manufacturing machinery. Objections by the prospective purchaser to the outstanding mineral rights make it necessary for the college to obtain the reserved mineral interests so they may be conveyed with the land. In connection with other planned developments, the college may desire to make other dispositions of the lands through sales or land exchanges.

In order to meet the situation faced by the college, we believe that it is necessary to convey only the reserved interests on those tracts covered by agreement and released from the public use requirement under the 1955 act. To accomplish this, page 2 of the bill should be amended as follows:

1. Strike all after "Sec. 3." in line 1 through line 10.
2. Line 11, change "(b)" to "(a)".
3. Lines 11 and 12, strike the words "made within the ten-year period which begins on the date of enactment of this Act," and strike the comma following the word "and".

4. Line 13, change "(c)" to "(b)".

5. Lines 15 and 16, strike the words "among the lands conveyed by the two deeds described in the first section of" and insert the words "released pursuant to".

6. Line 16, between the words "Act" and "may" insert the words "from the said conditions as to such lands".

7. Line 21, change "(c)" to "(b)".

As a correcting amendment, we suggest that in line 9, page 1 of the bill, "60" be changed to "69".

It is our understanding that in any conveyance of mineral interests of the United States the Secretary of the Interior would establish the fair market value of such mineral interests by appraisal or otherwise.

The Bureau of the Budget advises that there is no objection to the submission of this report.

Sincerely yours,

TRUE D. MORSE, *Acting Secretary.*

CHANGES IN EXISTING LAW

In compliance with subsection (4) of rule XXIX of the Standing Rules of the Senate, changes in existing law made by the bill, as reported, are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in italics, existing law in which no change is proposed is shown in roman):

PUBLIC LAW 237—84TH CONGRESS

AN ACT To direct the Secretary of Agriculture to release on behalf of the United States conditions in two deeds conveying certain submarginal lands to Clemson Agricultural College of South Carolina so as to permit such college, subject to certain conditions, to sell, lease, or otherwise dispose of such lands.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, notwithstanding the provisions of subsection (c) of section 32 of the Bankhead-Jones Farm Tenant Act, as amended (7 U.S.C. 1011(c)), the Secretary of Agriculture is authorized and directed to release on behalf of the United States with respect to lands designated pursuant to section 2 hereof, the conditions, contained in two deeds, both dated December 22, 1954, conveying certain submarginal lands in Anderson, Oconee, and Pickens Counties, South Carolina, to Clemson Agricultural College of South Carolina, which require that the lands conveyed be used for public purposes and provide for a reversion of such lands to the United States if at any time they cease to be so used.

SEC. 2. The Secretary shall release the conditions referred to in section 1 only with respect to lands covered by and described in an agreement or agreements entered into between the Secretary and the college in which the college, in consideration of the release of said conditions as to such lands, agrees—

(1) that all proceeds from the sale or exchange of such lands shall be used by the college for the acquisition of lands within the exterior boundaries of the project or for the development or improvement of lands within the project;

(2) that any lands acquired by the sale or exchange of the lands covered by such agreement shall become a part of the project established on the lands conveyed by the two deeds referred to in section 1 and shall be subject to the conditions with respect to the use of such lands for public purposes contained in such deeds; and

(3) that all proceeds from the sale, lease, or other disposition of the lands covered by such agreement shall be maintained by the college in a separate fund and that the record of all transactions involving such fund shall be open to inspection by the Secretary.

SEC. 3. (a) Upon application and subject to subsection (b) of this section, all the undivided mineral interests of the United States in any parcel or tract of land released pursuant to this Act from the said conditions as to such lands may be conveyed to the Clemson Agricultural College of South Carolina by the Secretary of the Interior upon the payment of an amount equal to the fair market value of such interests, as determined by appraisal or otherwise.

(b) This section shall not apply to the mineral interests of the United States in the seven thousand three hundred eighty and one-half acres of land taken by eminent domain in Civil Action 2446 in the United States District Court for the Western District of South Carolina.

